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IN THE

Supreme Court of the United States

OCTOBER TERM, 1935.

Nos. 175-6.

GUY T. HELVERING, Commissioner of Internal Revenue,
Petitioner,
v.
E. C. PETERSON.

GUY T. HELVERING, Commissioner of Internal Revenue,
Petitioner,
v.
L. T. PETERSON.

ON PETITION FOR WRITS OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE EIGHTH CIRCUIT.

BRIEF FOR THE RESPONDENTS IN OPPOSITION.

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OPINIONS BELOW.

The opinion of the Board of Tax Appeals (R. 44) is reported in 28 B. T. A. 591. The opinion of the Circuit Court of Appeals is reported in 76 F. (2d) 806.

JURISDICTION.

The judgments of the Circuit Court of Appeals were entered March 25, 1935. The jurisdiction of this Court is invoked by the petitioner under Sec. 240(a) of the Judicial Code, as amended by the Act of February 13, 1925.

QUESTION PRESENTED.

Whether a transfer by one corporation (the Minnesota Tea Company) of substantially all its properties to another corporation (the Grand Union Company) in exchange for 18,000 shares of the common stock of the latter (worth $540,000 (R. 46)), plus $426,842.52 in cash, followed by the distribution of the cash to the stockholders of the transferor corporation, the transferor corporation remaining in existence and holding as its assets the 18,000 shares of stock of the transferee, constitutes a "reorganization" within the meaning of Sec. 112(i)(1)(A) of the Revenue Act of 1928.

STATUTES AND REGULATIONS INVOLVED.

The statutes and regulations involved are set forth in the Appendix (pp. 13-16) to the Government's petition for certiorari in *Helvering* v. *Minnesota Tea Company*, No. 174, October Term, 1935, and are not repeated here.

STATEMENT.

The facts appear to have been correctly stated on pages 2-4 of the Government's petition.

These cases involve the question presented in the case of *Helvering* v. *Minnesota Tea Company*, No. 174. The attention of the Court is respectfully directed to the Brief in Opposition in that case, filed simultaneously herewith. For

the reasons there stated, the respondents oppose the granting of the Government's petition in these cases.

Respectfully submitted,

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August, 1935.